

DD5-0869

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29 February 1960

MEMORANDUM FOR THE RECORD

SUBJECT : Screening of Comptroller Instructions and Finance Division Operating Procedures for Passage to GAO Auditors

REFERENCE: Memo of Conversation dtd 19 Jan 60 fr SA-DD/S (FWR) Subj: "Briefing for General Accounting Office Representatives held on 7 Jan 60"

1. Pursuant to the direction of the DD/S that written material requested by the GAO auditors be screened prior to release, Mr. [REDACTED] C/TAS/OC and the writer have made a review of all Comptroller Instructions presently published, Numbers 1 through 83, while Mr. [REDACTED] Chief, Finance Division joined the writer in a similar review of all of the outstanding Finance Division Operating Procedures.

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2. In making these reviews, we were guided by the policies stated in the referenced memorandum relative to the kinds of materials to which the GAO properly should have access. In general, we concluded that those Comptroller Instructions which reflect internal accounting procedures and controls, whether applicable to the Finance Division or to another component of the Comptroller Office, could be passed to the GAO. Conversely, where a Comptroller Instruction contains material which gives information on methods, techniques, or sources of the Clandestine Services, we decided to withhold this particular Instruction. More specifically, the Instructions which we determined were within the agreed scope of the GAO audit were found to fall within one of the following classifications:

- a. Instructions having to do only with the Fiscal Division.
- b. Instructions representing applications of Federal laws or regulations applying to all agencies equally such as FSLLI, PL 600 re application of proceeds of payments of personal property, and PL 798 re payment of claims chargeable to lapsed appropriations.
- c. Internal accounting procedures for transactions with other Government agencies.

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d. Internal office management guides and instructions of the Office of the Comptroller, and material on organization and functions of the Office of the Comptroller.

e. Instructions setting out information on charts of accounts, cost accounting procedures, new procedures under the Financial Management Improvement Program, and the like.

3. As a result, we cleared for passing to the GAO 66 of the 83 Instructions. Those which we determined should not be passed to the GAO are Numbers 8, 13, 17, 21, 24, 30, 34, 35, 37, 44, 51, and 55.

25X1A9a 4. [REDACTED] and the writer applied the same general principles as were used to screen the Comptroller's Instructions to our screening of the FDOP's. A few of these reflect accounting procedures peculiar to the Finance Division, or at least not common to all U. S. Government agencies. Nonetheless, if these FDOP's do not deal with operational methods or techniques of the Clandestine Services such as methods of covert transfer of funds or of paying agents, we cleared them for passing to the GAO. Ordinarily, we decided to withhold the FDOP where there exists a corresponding Comptroller Instruction which we had previously decided to withhold.

5. In consequence, we cleared for passing to GAO auditors 47 of the 57 FDOP's and decided to withhold Numbers 30-1, 30-3-1, 30-3-2, 30-8, 30-11, 30-15-2, 30-220, 30-350, 30-350-1, and 30-350-4.

6. After concluding these reviews, [REDACTED] and the writer discussed their findings with [REDACTED] who, without making a detailed review of these materials, concurred in general in the approach and principles which guided our screening. As a general observation, these reviews have been instructive in demonstrating that there is no hard and fast rule or clear-cut line which can be applied in determining what written materials can and should be made available to the GAO auditors. Each document must be tested individually in terms of the general principles which are outlined above. Necessarily, this is a time-consuming process.

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[REDACTED]
Special Assistant to the
Deputy Director (Support)

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